

Request for Expression of Interest
For financing working capital requirements to execute orders in hand

Transformers and Electricals Kerala Limited (herein after called TELK) is a joint venture of Government of Kerala and NTPC engaged in Designing, manufacturing and installing high voltage power transformers and allied electrical equipments since 1963. TELK is looking for suitable banks/financial institutions to finance its working capital requirements of Rs.40 crores to execute its robust order book. The Government of Kerala has agreed to issue state backup guarantee for the proposed long term borrowings. All banks/financial institutions interested in financing working capital requirements of Rs.40 crores of TELK against state backup guarantee issued by the Government of Kerala are invited to submit your expression of interest.

About TELK

Incorporated in 1963 under the ownership of Government of Kerala with Technical Collaboration with M/s Hitachi Limited Japan. The aim is to revolutionise the Indian Electric Power Equipment Field by designing and manufacturing extra high voltage transformers. The first product rolled out from TELK in 1966. Starting off with power transformers, it later extended its product range to Instrument Transformers, SF6 Gas Circuit Breakers, Shunt and Series Reactors, Isolated Phase Bus Ducts, Tap Changers etc. TELK gave India, its first 400kV Class Transformer, First 315MVA Auto Transformer and Transformer for India's first 500MW Thermal Unit. TELK, an ISO 9001 certified company since 1995, has been a pride of the State of Kerala. TELK is a synonym for quality in the EHV power field in India and at TELK, quality is a way of life. TELK is an approved high quality supplier to all power utilities in India and many prestigious utilities abroad.

TELK realises that customers are their strength and thus service to customers is of highest priority to TELK. Recognizing the importance of customer service, TELK has set up an exclusive division catering to the timely repair, maintenance, monitoring and servicing of transformers and other vital installations.

TELK first exported its products to Tanzania in 1972 by supplying two 50 MVA, 132 kV Transformers. In 1990s, TELK revamped its export activities and exported transformers to the Sultanate of Oman and 330 kV Gas Circuit Breakers to Nigeria in 1994. This was followed by a number of export contracts executed to various countries such as Indonesia, Malaysia, Nigeria, Mauritius, Singapore, Nepal, Bangladesh etc. A milestone in TELK's export operations was an order from M/s DUKE FLOUR DANIEL, USA, in 1997 for the supply of 11 power transformers of capacity ranging from 50 MVA to 100 MVA.

A new era in TELK's history has been ushered in the year 2007 when TELK entered into a Business Collaboration & Shareholders Agreement with M/s. NTPC, the largest Power Utility in India. This has paved the way for TELK to augment its efforts for higher orbit of success and growth. By joining hands with NTPC, a Maharatna Company, TELK will be able to attain the path of high growth and will be able to beat competition in the Industry in the highly challenging industrial scenario. TELK is aiming for a prosperous future in the wake of the Joint Venture between Government of Kerala and NTPC and soon will have access to 765kV Class technology and thus will have the right environment to achieve higher turnover and profits.

As of now, the company has secured large orders from the prestigious companies in the electricity generation, transmission and distribution industry including state electricity boards for the designing, manufacturing and installing of power transformers. The order position of the company hits its peak level.

Key performance indicators of past five years are attached herewith as Annexure 1

Objectives

TELK is looking for a working capital financing partner (WCFP) who can effectively support our working capital needs in executing its robust order book. Generally, Working Capital requirement in Transformer Industry is relatively high due to lengthy production cycle of transformers when compared to other products. Also the major material costs need to incur at the initial stage of production (E.g.: Copper, CRGO). The WCFP will play a key role in accomplishing envisaged mission of TELK of timely execution of its prestigious orders by financing required working capital to ensure seamless flow of funds for the procurement of raw materials and for other production activities. Approximate order position is nearly Rs.400 Crores.

Scope

- Working capital term loan of Rs.40 Crores with payback period of 8 years in which first 2 years are moratorium periods, with payment of interest only and after that repayment will starts.
- The guarantee issued by the Government of Kerala will be the sole security (both primary and collateral).
- Rate of Interest should be the best of the prevailing rates available.
- Need to ensure very competitive processing fees and other bank charges.

Profile of working capital finance partner (WCFP)

Any nationalised banks, scheduled commercial banks, State Co-operative banks, other co-operative banks or any other private/public financial institutions or a consortium of the above like banks/financial institutions.

EOI Response Procedure

Interested banks/financial institutions shall submit response to the EOI to the address or Email ID given below within 15 days from the date of this advertisement.

Managing Director
Transformers and Electricals Kerala Limited
Angmally South P.O, Ernakulam District
Kerala, PIN -683573

E – Mail ID: telkeoifund40@gmail.com
Website: www.telk.com

The response should contain particulars such as types of facility offered, interest rates, repayment periods, processing fees and other charges, additional non fund based facilities offered, documentation requirements and name, designation, official address, phone number and e mail ID of contact personnel.

Selection Procedure

The response to EOI will be evaluated and ranked on the basis of nature/ facilities offered, interest rates, processing fees and other charges, repayment periods, profile, minimum documentation requirements etc. Shortlisted banks/financial institutions will be contacted for further negotiations on the proposal.

This EOI does not entail any commitment on the part of TELK, either financial or otherwise. TELK reserves the right to accept or reject any or all EOI without incurring any obligation to inform the affected applicant/s of the grounds. The banks/financial institutions shall bear any and all cost related to the preparation and/or submission of the EOI. TELK shall in no case responsible for or liable for those costs, regardless of the conduct or outcome of the process.

Annexure 1 to the invitation to Expression of Interest (EOI)**(Figures in Lakhs)**

Partiucalars	2022-23* (upto 30.09.2022)	2021-22*	2020-21	2019-20	2018-19
Revenue From Operations	7179.02	14048.38	14648.35	20313.34	20447.29
Profit /(-)Loss Before Tax** (Without Price Variation taken into account)	-2006.42	-2587.99	-3020.66	632.11	505.05
Networth	3253.97	4510.55	7098.52	9165.97	8641.51
Current Ratio	1.01	1.24	1.63	1.91	1.62
Debt Equity Ratio (Total Borrowings/Equity)	1.58	1.39	0.49	0.24	0.24
Installed Capacity in MVA	4500.00	4500.00	4500.00	4500.00	4500.00
Production in MVA	1684.67	2081.17	2389.73	3703.50	4660.00

* As per provisional and unaudited accounts and may subject to material changes upon finalisation and audit

** Price Variations as per price escalation clauses are not considered

Transformers and Electricals Kerala Limited

Angamally South PO, Ernakulam District, Kerala.

Statement of Profit & Loss (Provisional and Unaudited)

Rupees in Lakhs unless otherwise stated

Particulars	Estimated For the period ended 31 March 2022	Audited For the period ended 31 March 2021	Audited For the period ended 31 March 2020	Audited For the period ended 31 March 2019
Revenue				
Revenue from operations	14,048.38	14,648.35	20,313.34	20,447.29
Other income	90.96	389.01	356.04	644.41
Total income	14,139.34	15,037.36	20,669.38	21,091.70
Expenses				
Cost of Material Consumed	9,878.27	9,861.93	12,811.60	12,879.89
Employee benefits expense	4,480.08	5,494.22	5,074.51	4,922.04
Finance costs	770.59	578.22	559.20	634.10
Depreciation and amortization expense	123.00	125.69	130.50	131.81
Other expenses	1,475.39	1,997.96	1,461.47	2,018.82
Total expenses	16,727.33	18,058.02	20,037.28	20,586.66
Profit/(Loss) before income tax and exceptional items	(2,587.99)	(3,020.66)	632.10	505.04
Exceptional items	-	-	-	-
Profit/(Loss) before income tax	(2,587.99)	(3,020.66)	632.10	505.04
Tax Expense				
Current tax	-	-	(174.00)	70.95
Deffered Tax	(10.78)	(744.54)	172.27	49.09
Total Tax Expenses	(10.78)	(744.54)	(1.73)	120.04
Profit/(Loss) for the year	(2,577.21)	(2,276.12)	633.83	385.00

Figures for FY 2021-22 is based on provisional and unaudited accounts and may or may not subject to material changes upon finalisation and audit

Transformers and Electricals Kerala Limited
Angamally South PO, Ernakulam District, Kerala.
Balance Sheet (Provisional and Unaudited)
Rupees in Lakhs unless otherwise stated

Particulars	Estimated 'as at 31 March 2022	Audited as at 31 March 2021	Audited as at 31 March 2020	Audited as at 31 March 2019
ASSETS				
Non-current assets				
Property, plant and equipment	1,104.56	1,219.70	1,330.93	1,416.37
Capital work-in-progress	5.97	5.97	1.15	1.15
Other intangible assets	5.56	5.56	8.88	9.48
Financial assets				
(i) Investments	0.70	0.70	0.70	0.70
(ii) Loans	99.31	99.04	99.55	83.99
(iii) Other financial assets	11.94	128.65	106.40	129.47
Other non-current assets				
Deferred tax assets(Net)	2,187.70	2,176.92	1,386.96	1,517.07
Other non-current assets				
Total non-current assets	3,415.74	3,636.54	2,934.57	3,158.23
Current assets				
Inventories	6,602.33	5,985.54	6,339.20	7,999.81
Financial assets				
(i) Investments				
(i) Trade receivables	8,585.73	7,825.73	7,608.86	7,399.57
(ii) Cash and cash equivalents	0.99	25.67	24.80	47.26
(iii) Bank balances other than Cash and Cash equivalent	991.51	681.12	547.26	474.60
(v) Loans		0.54		0.56
(iv) Other financial assets			0.81	0.54
Other current assets	720.06	797.40	389.12	354.90
Total current assets	16,900.62	15,316.00	14,910.05	16,277.24
Total assets	20,316.36	18,952.54	17,844.62	19,435.47
EQUITY AND LIABILITIES				
Equity				
Equity share capital	4,296.96	4,296.96	4,296.96	4,296.96
Other equity	224.37	2,801.56	4,869.01	4,344.55
Total equity	4,521.33	7,098.52	9,165.97	8,641.51
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	499.78	828.61		-
(ii) Other financial liabilities				
Provisions	1,648.10	1,648.10	879.77	769.94
Other non-current liabilities				
Total non-current liabilities	2,147.89	2,476.71	879.77	769.94
Current liabilities				
Financial liabilities				
(i) Borrowings	5,772.14	2,621.97	1,861.52	2,038.72
(ii) Trade payables	2,747.34	2,000.08	1,314.93	2,249.43
(iii) Other financial liabilities	2,086.73	1,081.09	1,402.77	1,746.38
Other current liabilities	1,023.83	1,276.44	1,025.40	2,098.10
Provisions	2,017.11	2,397.72	2,194.27	1,891.41
Total current liabilities	13,647.15	9,377.30	7,798.89	10,024.04
Total liabilities	15,795.04	11,854.01	8,678.66	10,793.98
Total equity and liabilities	20,316.36	18,952.54	17,844.62	19,435.47

Figures for FY 2021-22 is based on provisional and unaudited accounts and may or may not subject to material changes upon finalisation and audit

Transformers and Electricals Kerala Limited
Angamally South PO, Ernakulam District, Kerala.
Projected Statement of Profit & Loss
Rupees in Lakhs unless otherwise stated

Particulars	Projected For the period ended 31 March 2023	Projected For the period ended 31 March 2024	Projected For the period ended 31 March 2025
Revenue			
Revenue from operations	22,240.17	26,831.26	28,247.82
Other income	535.87	562.67	590.80
Total income	22,776.04	27,393.93	28,838.62
Expenses			
Cost of Material Consumed	13,526.47	16,839.34	17,543.32
Employee benefits expense	5,077.94	5,331.83	5,598.42
Finance costs	984.60	1,210.00	1,210.00
Depreciation and amortization expense	126.49	273.00	245.70
Other expenses	1,651.12	1,733.67	1,820.36
Total expenses	21,366.61	25,387.85	26,417.80
Profit/(Loss) before income tax and exceptional items	1,409.43	2,006.08	2,420.82
Exceptional items	-	-	-
Profit/(Loss) before income tax	1,409.43	2,006.08	2,420.82
Tax Expense			
Current tax	122.47	128.59	135.02
Deffered Tax	(133.36)	(178.97)	(266.78)
Total Tax Expenses	(10.89)	(50.38)	(131.75)
Profit/(Loss) for the year	1,420.32	2,056.46	2,552.58

All the figures are projected/estimated and liable to material changes based on actuals

Transformers and Electricals Kerala Limited
Angamally South PO, Ernakulam District, Kerala.
Projected Balance Sheet
Rupees in Lakhs unless otherwise stated

Particulars	Projected as at 31 March 2023	Projected as at 31 March 2024	Projected as at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	978.07	1,705.07	1,509.37
Capital work-in-progress	5.97	5.97	5.97
Other intangible assets	5.56	5.56	5.56
Financial assets			
(i) Investments	0.70	0.70	0.70
(ii) Loans	96.44	98.56	98.10
(iii) Other financial assets	11.94	12.00	12.50
Other non-current assets			
Deferred tax assets(Net)	2,321.06	2,500.03	2,766.80
Other non-current assets			
Total non-current assets	3,419.74	4,327.89	4,399.00
Current assets			
Inventories	7,411.88	8,437.95	8,638.55
Financial assets			
(i) Investments			
(i) Trade receivables	8,664.79	10,453.48	11,005.37
(ii) Cash and cash equivalents	0.50	0.75	0.75
(iii) Bank balances other than Cash and Cash equivalent	950.00	1,000.00	1,350.00
(v) Loans			
(iv) Other financial assets			
Other current assets	900.00	950.00	1,600.00
Total current assets	17,927.17	20,842.18	22,594.68
Total assets	21,346.90	25,170.07	26,993.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4,296.96	4,296.96	4,296.96
Other equity	1,644.69	3,701.14	6,253.72
Total equity	5,941.65	7,998.10	10,550.68
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	199.78	-	-
(ii) Other financial liabilities			
Provisions	1,600.00	1,750.00	1,650.00
Other non-current liabilities			
Total non-current liabilities	1,799.78	1,750.00	1,650.00
Current liabilities			
Financial liabilities			
(i) Borrowings	8,711.24	9,378.29	8,888.29
(ii) Trade payables	2,148.52	2,240.67	2,686.83
(iii) Other financial liabilities	500.15	1,055.87	849.03
Other current liabilities	945.58	1,297.13	1,018.85
Provisions	1,300.00	1,450.00	1,350.00
Total current liabilities	13,605.49	15,421.96	14,793.00
Total liabilities	15,405.27	17,171.96	16,443.00
Total equity and liabilities	21,346.91	25,170.07	26,993.68

All the figures are projected/estimated and liable to material changes based on actuals